

COMMISSION MEETING MINUTES
May 9, 2007

COMMISSION MEMBERS PRESENT:

Thomas Borne
Shane Hageman
Mike Kennedy
Katherine Startin

COMMISSION MEMBERS ABSENT:

Andre Gammage

Chairman Kennedy called the meeting to order at 1:04 p.m. The meeting was held in the ISTA Center, Second Floor Conference Center, 150 W. Market Street, Indianapolis, Indiana.

Secretary Tom Borne announced that a quorum of the Commission members were in attendance. A motion was made and unanimously approved to accept the minutes of the Commission meeting of March 14, 2007.

The Chairman then asked Mr. Obergfell to give the Director's update. Mr. Obergfell reflected on the recently adjourned session of the Indiana General Assembly session and expressed gratitude for the 10.7% increase in award funding over 2006-07 year. He said Hoosier students benefit greatly from the increases.

Chairman Kennedy asked Mr. Obergfell to give the Grant Division Update. Mr. Obergfell mentioned that in April the grant division mailed 50,000 edit notifications to students who filed the Free Application for Federal Student Aid (FAFSA) with errors of some sort. The letter's intent is to inform students of FAFSA errors and that all correctable errors had to be fixed and received by June 10 to be considered for a Frank O'Bannon Grant award. He said that in addition to sending "edit" letters to those with FAFSA errors, the agency also sends electronic files to the colleges and universities listed on students' FAFSAs for the purpose of recruiting/notifying schools to help students correct errors. Mr. Obergfell stated the agency collects corrected FAFSA data electronically from the U.S. Department of Education's processing center updates students' records accordingly.

The Chairman called on Seana Murphy to give the Twenty-first Century Scholars report. Ms. Murphy gave the following report (see attached.)

The Chairman called on Yvonne Heflin to summarize the work of the Special Programs Division. Ms. Heflin delivered the report attached to these minutes (see attached).

Chairman Kennedy asked Laurie Gavrin to speak about the Accelerated Program Survey. She stated that a survey had been sent out to financial aid offices to ask any accelerated programs that they may offer and the characteristics of such programs (length, requisite hours, time of year offered, etc.). Mrs. Gavrin said accelerated programs (usually a type of adult education for older students who have full-time jobs and/or families) are becoming more popular as more people want to obtain further education without interrupting their daily lives.

Mrs. Gavrin noted that accelerated programs can be structured in various ways. Some programs are designed so that when the student finishes one course, they begin the next course immediately; in this case classes may be as short as five weeks (one course is completed in each five weeks). Still other programs, she explained, may be structured so that students will take two courses at a time, generally for a shorter period of time than a traditional semester. Full-time (at least 12 credit hours) students enrolled in traditional semester terms take courses simultaneously; those who go below their full-time 12 credit hours lose full-time status.

Mrs. Gavrin explained that many of the accelerated programs do not follow any semester structure; they begin a new cohort of students every month. This makes it especially hard to give these students evenly/fairly distributed SSACI funding. SSACI currently only funds those students who can be fit into one of our traditional semester, trimester or quarter structures. SSACI only funds students enrolled in accelerated program as full-time on the condition students sign up in advance for 12 or more credit hours to be completed within a traditional academic term length. She commented that as these programs become more widespread, SSACI will have to develop policies that address the needs of students in as fair and equitable way as possible. She noted that this will be a challenging task given the structural variations of the programs that include, but are not limited to a school's term start and end dates, refund policies etc. and SSACI's computer cycle capabilities.

Mrs. Gavrin explained that for these reasons and more it will be necessary to survey schools with accelerated programs and then devise comprehensive and balanced policies to address this burgeoning area of education and the challenges it poses to full-time grant construction.

The Chairman called on Laurie Gavrin to give the legislation update regarding the bills that affected SSACI. Mrs. Gavrin spoke about **SB 577**, Hoosier Hope Scholarship and **H.B. 1604** which deals with preferred lenders at universities, neither of which passed. She then spoke about **SB 480** which expands the National Guard supplemental grant program by providing educational benefits to post-deployed former Guardsmen. She stated the students under SB 480 have to take advantage of the program one year after leaving the guard. Mrs. Gavrin also addressed **H.B. 1266** which under certain conditions allows foster children, and students enrolled in non-public, and non-accredited schools to enroll in the Twenty-first Century Scholars program. She spoke about **H.B. 1452** which created a new program SSACI will administer to assist those majoring in the field of insurance. Mrs. Gavrin said the program will be up and running by the 2008-09 academic year. Finally Mrs. Gavrin addressed **H.B. 1647** which added sixth grade to Twenty-first Century eligibility. Mrs. Gavrin said that when the bill was heard in committee, SSACI requested an estimated \$1.5- \$2 million in administrative funds for the expressed purposed of being able to effectively recruit, enroll and service 6th graders, but that in spite of the agency's long experience in understanding what it takes to be successful in this regard, the legislature didn't appropriate any administrative funds to the agency.

Chairman Kennedy asked Laurie Gavrin to speak about the final budget numbers for SSACI programs (see attached chart). She stated we received very generous funding for the budget.

The Chairman called on Dennis Obergfell to speak about the number and distribution of students. Mr. Obergfell said the number of students who filed on time and filed late this year were very similar in number to last year. He then commented that the U.S Department of Education, due to legislative changes, added questions to the FAFSA which asks applicants who participated in one of five federal means-tested programs and who had incomes of \$50,000 or less to identify themselves for the purpose of potentially lowering their computed parent and family contribution levels, thus qualifying for more federal and state aid.

Mr. Obergfell said staff was uncertain of the fiscal impact these changes would have on the Frank O'Bannon Grant program but its certain that the net affect of the change would make more Hoosier families either eligible for aid or for increased awards over what they would have received sans participation in one of the five federal means-tested programs.

Mr. Obergfell expressed appreciation to the Indiana General Assembly and the Governor for supporting and more importantly for providing increased funding for need-based awards as part of the biennial budget process. He then spoke about the Frank O'Bannon Grant maximum grant considerations/recommendations. Mr. Obergfell recommended that for the 2007-08 academic year, the Commission approve maximum grant award levels for publics and independent institutions respectively at \$6,096 and \$10,992. He noted that staff was extremely confident that these award levels would insure that grant awards for the 2008-09 academic year would remain at least constant or hopefully be increased by three percent. As an aside, he said that since appropriations for SSACI grants exceeded those requested/anticipated, then as the nature (size and need levels) of SSACI's current applicant pool becomes more apparent, it may be possible to further increase award maximum levels for the 2007-08 year. Having said that, Mr. Obergfell qualified his comments again by saying there were too many unknown variables at this time to make recommendations other than those previously noted. Chairman Kennedy commended the staff for all of their hard and productive work. He also thanked the elected officials for their actions for Hoosier students.

Chairman Kennedy asked Laurie to speak about the tuition survey progress. She hopes to have all of the tuition surveys in by the end of the month.

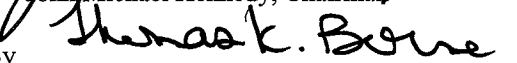
Mr. Obergfell again thanked the Budget Agency, the General Assembly and the Governor's office for the increases in student aid. He said the agency was very fortunate and extremely appreciative for the increases in student aid. He said the legislature's actions showed that they understand the significance of need-based aid and higher education opportunity for those most in need and the inherent connection between higher education and economic development for Indiana.

Katherine Startin moved to approve R-5.2007.4 (see attached) which was a motion made by Thomas Borne to approve the grant award maximums as recommended by staff and based on the budget approved by the Indiana General Assembly in HB 1001. The motion was seconded by Shane Hageman and unanimously approved.

With no further business, a motion was made to adjourn the meeting. The motion was seconded and carried unanimously.

State Student Assistance Commission of Indiana

By 
John Michael Kennedy, Chairman

By 
Thomas K. Borne, Secretary